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INTERNATIONAL INSTITUTE OF AGRICULTURE

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MISCELLANEOUS PUBLICATIONS

Volume 1

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INTERNATIONAL INSTITUTE OF AGRICULTURE AT ROME.

Mr. PERKINS presented the following

LETTER WRITTEN BY DAVID LUBIN TO HON. GEORGE C. PERKINS
AND HON. FRANK P. FLINT RELATIVE TO THE INTERNATIONAL
INSTITUTE OF AGRICULTURE AT ROME.

JUNE 8, 1909.—Ordered to be printed.

INSTITUT INTERNATIONAL D'AGRICULTURE,
Rome, May 23, 1909.

MY DEAR SENATORS: I have recently been handed a copy of the Congressional Record of February 20, 1909, which contains some statements in relation to the International Institute of Agriculture at Rome.

These statements, if true, would show that the advocates of this institution were men devoid of statesmanship, of honesty, of common sense—in short, men of unpatriotic and even criminal intent.

If these statements had been uttered in an out-of-the-way locality on an unimportant occasion and by obscure men they would call for no reply; but as they were spoken during a public session of Congress and by Congressmen, I deem it necessary to make some comments on the subject, and to address them to you, because the ratification of the treaty which created the institute, so far as the United States is concerned, was largely due to the powerful aid and influence exerted by both of you in its behalf.

During the debate in the House of Representatives regarding the International Institute of Agriculture, Congressman Mann, of Illinois, said: "This agricultural institute is a pure fake."

In saying what he did Mr. Mann was either right or wrong. If the advocates of the institute were right, then Congressman Mann was wrong. If he was right, then you two gentlemen were wrong; in recommending the treaty to the Senate the President of the United States and the Secretary of State were wrong; and the Senate of the United States was wrong in ratifying it. So, then, it is Congressman Mann on one side of the scale and you two gentlemen, the President, the Secretary of State, and the Senate of the United States on the other. The preponderance of authority is evident. But it would show feebleness in logic if we were merely to hide behind this formidable bulwark of authority and not to enter into the merits of the case. This I propose to do by taking up the facts as they are a little later on.

Before proceeding with these facts, I desire to consider a further assertion made by Congressman Mann. He says that this institute "is a private snap over in Rome; I know what it is. * * * It is not in the interests of agriculture; it is for a particular individual * * * the man who represents the Government over there, drawing the salary. * * *

In answer to the above it will be sufficient for me to quote from my letter to you (Senator Perkins) of April 13:

* * * While tacitly allowed some \$3,500 a year, I have up to the present moment drawn but \$100, \$80 of which were applied by the clerk of the State Department (Mr. Morrison) to pay for the portraits of Washington and Lincoln, now in the American Room in the institute, and the remainder for framing the pictures in this room of the pioneer workers for the institute. It has not been my purpose to draw a salary for this work.

So much for the salary question.

In the course of this debate, Mr. Gaines, of Tennessee, also asked, "What good is this institution doing the people of the United States?" and Mr. Rucker, of Missouri, inquired, "Is it not also true that there is a chance, a strong probability, that if we carry on this nonsensical work over there, we will impart to other nations a thousandfold more than we receive?"

These are pertinent questions. I will endeavor to answer the inquiry, "What is the International Institute of Agriculture?" I will confine my remarks at this time to but one branch of its labors, the most important branch, the crop-reporting division of the institute.

I deem it essential as a preliminary explanation to briefly state how prices of commodities are arrived at. Economists tell us that the law of supply and demand determines the price. But, right here, we must note the difference between manufactured commodities and raw material. The prices of manufactures are largely determined by private sales, whereas the prices of the staples of agriculture are determined by public sales at "wheat pits," "cotton exchanges," "bourses," etc. We are here concerned with the prices of the staples of agriculture, and the question is, How do the exchanges and bourses arrive at the price?

Applying the law of supply and demand, we find that the "demand," so far as the number of consumers is concerned, is fairly manifest, but now let us see how it is with the "supply." Here we are not alone concerned with the stock on hand, but also with the condition of the growing crops.

If the summaries of the supply for the United States—that is, the stock on hand and the condition of the growing crops—were given out only by the operators in the "wheat pits," "cotton exchanges," and "bourses," they would, of course, be given out by interested parties, and would therefore be untrustworthy. Such untrustworthy summaries would give rise to violent fluctuations in prices, endangering not alone the interests of the farmers, but likewise those of the manufacturers, for these products are the raw material of the factories. In other words, they would jeopardize the interests of the capital and labor of the farm and the capital and labor of the factory.

It is for this reason that the United States has built up and now maintains the various bureaus in its Government for the purpose of informing the people at stated periods of the stocks on hand and the condition of the growing crops.

So valuable to the people of the United States is this service that there is now no power which could abolish this source of public information; and, were it abolished, the evils which would follow would be so apparent that its immediate reestablishment would be demanded. Thus it will be seen that the United States Government, by getting out official summaries of the supply, is a factor in the equities of price formation for the staples of agriculture, thereby promoting the welfare of the people of the United States.

Thus far Congressmen Gaines and Rucker will undoubtedly agree with me. But let us go a step further.

The United States is an exporting country of the staples of agriculture. It exports continuously, and the exporters only pay the American producers prices formed in competition with similar products of the other nations of the world. In other words, the exports are sold at the world's price.

But what of the greater quantity remaining for home use? Is this sold at a higher than the world's price by reason of the United States crop-reporting system? How can this be? For the export and the home price are the same, since the exporters and the home buyers buy in the same "pit," "exchange," or "bourse," and at the same time. In other words, all the staples of agriculture in the United States are sold at the world's price.

Now, the question is, "How is the world's price determined?" We stated previously that the "law of supply and demand" determines the price, and that the world's "demand" is fairly manifest. But how does the case stand regarding the knowledge of the world's "supply?"

About this way: Several of the more prominent nations have crop-reporting bureaus which assemble and disseminate the facts regarding the supply in their respective countries, but each of them does so in its own peculiar way. By far the larger number of the nations have no crop-reporting system at all. In those countries the crop reports are gathered by private interests. It is all these sources together which go to make up the various official and unofficial summaries as to the world's supply.

The disseminated summaries are as divergent as are the interests of those who disseminate them.

But is there not a flaw in the logic of the case? In a former paragraph it was stated that the crop-reporting bureau at Washington was performing a task which promoted the welfare of the people of the United States, and now we learn that the United States sells its product at the world's price, and that this world's price is based on the summary of the world's supply, and that this world's summary, whether official or nonofficial, is unreliable.

Where, then, do we stand? In this position: The crop-reporting bureau of the United States in a measure benefits the world directly, and the people of the United States indirectly. If the people of the United States are to be fully benefited by their crop-reporting system, there must be evolved similar crop-reporting systems in the other countries of the world, for, as Secretary Wilson so pointedly says: "Reports covering part of an area of a given crop may be used by self-interested crop-reporting agencies to mislead." In short, there must be given out at stated periods, and to all the world, an authoritative official world's summary covering the entire area of the

crops. Only then will the circuit of information be completed. Only then will the world's supply be known. Only then, when equity in the formation of prices of the staples of agriculture is established, will the United States be fully benefited.

Right here is the need that called into being the International Institute of Agriculture. This is the work it is intended to perform. Its function is to show this need, to get the nations to complete their crop-reporting systems, to get them to harmonize the data to the end that the institute may gather from the nations the facts regarding their crops, summarize them, and disseminate them promptly to all the world.

This work the International Institute of Agriculture is instructed to perform by the treaty ratified by forty-eight governments, which is its constitution.

This is the very work had in view by the Department of State in its instructions of September 14, 1908, prepared by the Department of Agriculture and the Department of Commerce and Labor, which outlined "the initial policy of the United States Government in the formative work of the institute."

And now it is in order to deal with the question: "What is the institute doing?" or, as it was expressed in the debate in Congress by Mr. Young, of Michigan: "Does this institution issue a report?" "Does it," as Mr. Gaines, of Tennessee, inquired, "do any of the work which has been referred to it?"

In reply to the above, I will quote from an official address delivered by the president of the International Institute on May 14 of this year:

The international treaty creating the institute was signed ad referendum by the delegates of the nations on June 7, 1905. The plenipotentiaries of the several governments placed their signatures to said treaty between July, 1905, and June, 1906. * * * The institute was inaugurated on May 23, 1908. * * * The permanent committee has been working since then ceaselessly, but there are many difficulties in the way of founding a new institution, which has the double character of a diplomatic and an economic body. * * *

The institute must obtain an accurate knowledge of the agricultural statistical services in the several countries. * * * It must assemble an inventory of the agricultural resources of the countries and of their average and normal production, which will be of use as a starting point and as a term of comparison for future periodical information.

This work the institute has well in hand. There is reason to hope that it will be able to publish within the current year the results of these researches, the importance of which will be obvious to all.

The institute must accomplish another and more difficult task.

It must get all the governments to observe uniformity in the following particulars:

- (a) The number and nature of the data supplied by each country for each staple.
- (b) The date and mode of stating for each staple, the estimated yield in a percentage ratio of a term of comparison, which should be identical for all the countries.
- (c) The interval to be decided on between the getting in of the harvest, the preparation of the statistical reports, and the publication of same.
- (d) The indication of amounts by either weight or measure. * * *

The first difficulties have been overcome; the statutes of the institute have been approved; the bureaus are organized, the preliminary studies are accomplished; the work has begun. I hope * * * that the institute will be in a position to begin its regular official service in January, 1910.

Had all that has been said been known previously to Congressmen Mann, Rucker, Young, and Gaines it is reasonable to suppose that they would have been the friends of the institute rather than its opposers; we may even assume that from having read what is here put forth they will be the friends of the institute in the future. But the important question is this: Is the International Institute of

Agriculture a necessity for the people of the United States? Is it imperative?

Before anyone can say that it is not they must show that there is no need for an authoritative world's summary of the staples of agriculture; that, under the present system, and without the institute, the American producers and consumers are sufficiently guided by the information they now have, information not alone of the crops of the United States but of the world. Can that be shown?

In a football game between two contesting teams would it be considered fair to have the game umpired by a member playing in one of the contesting teams? Yet that is precisely what is done in the great business of the agricultural industry. The farmers produce, and the buyers have all the say as to what the price shall be, and this price is based upon the total of the world's supply, which total they furnish. And we know what that price will be, from that rare economist of old, who said: " 'It is nought, it is nought,' saith the buyer, but when he hath bought, he goeth his way boasting."

This would be humorous indeed if the evils of the present system were not so dangerously far-reaching. There was a time when this evil was feebly organized, but in our day of colossal combinations; of gigantic organizations of capital, cunning, and craft; of master-ship in the employment of these powerful agencies, is it safe to leave this power for evil in the hands of interested parties?

We increase our army, we augment our navy, all for the sake of conserving the nation; but what good can our army do, of what value our navy, so long as a few rich, powerful, and crafty organizers may determine the factor which goes to make the price of our staples of agriculture? Here the very foundation of the structure upon which this nation rests is within easy tampering reach of an enemy infinitely more difficult to perceive, to control, to overcome than all the foreign powers of the world. And who can deny this? It can not be denied. It is true.

Since this is true, what is to be done? Can any one suggest an alternative other than making the governments themselves the umpires? Can any one find a more effective plan than that the world's summary be supplied by the united efforts of the governments of the world? And the redeeming effect of such a united effort is one of the evidences clearly showing that the safety of the nations is dependent upon international cooperation and amity.

In this united effort it becomes the duty of each of the adhering nations to take its stand as a master, a leader, guiding and directing the institute in its work; each of the nations as master and the institute as servant. These masters must not merely act the part of quiescent onlookers, but that of directors, guiding the labors of the institute, in order that it may adequately perform the task which has been intrusted to it.

In ratifying the treaty which created the institute, the United States has assumed a duty which it is bound to perform. That no mistake is made in this statement is evident from the concluding sentence of the treaty proclaimed by the President of the United States, in which he said:

Now, therefore, be it known that I, Theodore Roosevelt, President of the United States of America, have caused the said convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In pursuance thereto it becomes the manifest duty of the United States, as an adhering power to the treaty, to observe the requirements of articles 2 and 7 of the same, which provide that each adhering power must be represented by delegates on the general assembly and on the permanent committee.

I confidently believe the Government of the United States will fulfill these requirements; and that it will fulfill them not in any perfunctory spirit, but in a manner worthy of its exalted standing among the nations, and that it will be worthily represented at the Second General Assembly of the International Institute of Agriculture to be held in November, 1909.

In the hope that what has been here set forth will meet with your approval, and with the assurance of my high esteem, I have the honor to remain,

Yours, very sincerely,

DAVID LUBIN.

Hon. GEORGE C. PERKINS and Hon. FRANK P. FLINT,
United States Senate, Washington, D. C.

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